

CITY OF COVINGTON



Recommended All Funds Operating Budget 2008/2009

Mayor

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City of Covington

2008/2009 RECOMMENDED OPERATING BUDGET

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City of Covington

Recommended 2008-2009 All Funds Operating Budget

The recommended City of Covington All Funds Operating Budget in fiscal year 2008-2009 is \$67,946,164 (see Table 1, page 3). This represents a \$1,947,637 increase from the fiscal year 2007-2008 estimated budget. Increases of \$2,441,569 to General Fund, \$1,168,263 to Capital Improvement Fund, and \$400,000 to Working Capital Reserve more than offset a \$533,955 decrease in HUD Action Plan activities, a decrease of \$306,815 in Self Insurance Funds, and a net decrease of \$646,743 in other funds. The reduction in HUD activities is a result of one-time allocation of unbudgeted program income and prior year funds in 2007-2008 and a reduction in base allocation from HUD during 2008-2009.

The recommended budget includes a \$400,000 transfer from General Fund to the Working Capital Reserve. This transfer was budgeted before all General Fund department expenses. The Working Capital Reserve was established with the approval of Commissioners Order/Resolution O/R-68-06 to allow for the accumulation of funds to create a reserve to protect funding for the viable operation of city government. No funds may be transferred from the fund unless approved by the Mayor and Board of Commissioners. The balance in the Working Capital Reserve Fund is expected to be \$1,770,604 at the end of the fiscal year 2008-2009. The total of the Working Capital Reserve Fund and the General Fund is expected to be \$2,447,195 at the end of fiscal year 2008-2009. This is 5.0% of General Fund revenue, which is at the minimum 5% reserve established by the Mayor and Board of Commissioners policy.

The major budget assumptions utilized in the development of this budget are as follows:

1. Salary increases as negotiated in collective bargaining agreements and for non-represented employees have been reflected for the 2008-2009 fiscal year. Salary increases are 5% effective January 1, 2009.
2. Costs for health care are based on the new plan design as negotiated in the collective bargaining agreements. Plan design changes include a new prescription plan that encourages an increase in generic substitution rate, increases in office co-pays, and employee premium payments. Savings from health care were budgeted to offset additional costs from salary increase awarded in fiscal year 2007-2008. Salary increases reflected for the 2008-2009 year are paid from revenue increases.
3. Permanent full-time positions have been remained the same at 391.
4. The cost of motor fuel is expected to increase approximately 36%.
5. The cost of utilities is expected to increase approximately 13%.
6. Pension costs are expected to increase 1.9% for non hazardous positions and 1.3% for non hazardous positions. Although contribution rates fell from 33.87% to 31.99% of compensation for hazardous and from 16.17% to 15.58% of

compensation for non-hazardous positions, increases to salary base caused a slight increase to total pension expense.

7. Workers Compensation costs are expected to increase 6.9%.
8. CDBG and HOME entitlement funds have been reduced a combined \$80,738 from fiscal year 2007-2008.
9. At the end of fiscal year 2006-2007, the Housing Voucher program had a fund balance of \$1,519,206. Approximately, \$490,000 of that balance belongs to City. It is anticipated that HUD will recover the \$1,029,206 during the fiscal year 2007-2008 and fiscal year 2008-2009 period.
10. A new Special Revenue Fund for HOME Consortium has been added.
11. A policy of full staffing for sworn safety positions has been implemented in the 2008-2009 budget. Because of restricted access to training academy openings and anticipated retirements, it is expected that the Police Department will be operating an average three positions less than full budget. It is hoped that a full staff can be recruited and trained in the near future.
12. An Emergency Contingency Reserve in the General Fund of \$200,000 is recommended for unbudgeted items, primarily for unexpected snow removal costs. Any unspent amounts may be used to acquire new equipment for the Public Works and Parks and Recreation Departments or to increase the Working Capital Reserve.

In addition to the Order/Resolution establishing the Working Capital Reserve, a Ordinance was also approved by the Mayor and Commission that requires that proceeds from the sale of any asset must be deposited into the Working Capital Reserve unless federal funds were used in the acquisition. The prohibition of the use of Working Capital Reserve without specific approval by Commissioners Order/Resolution also applies to proceeds from the sale of assets.

CITY OF COVINGTON
2008-2009 ALL FUNDS OPERATING BUDGET
TABLE 1

FUND	2007/2008 Estimated Budget	2008/2009 Recommended Budget	Dollar Change	Percent Change
General Fund				
Beginning Fund Balance	\$ 676,931	\$ 676,931	\$ -	0.00%
Resources/Tranfers in	\$ 46,456,859	\$ 48,898,428	\$ 2,441,569	5.26%
Expenditures/Transfers Out	\$ 46,456,859	\$ 48,898,428	\$ 2,441,569	5.26%
Ending Fund Balance	\$ 676,931	\$ 676,931	\$ -	0.00%
Working Capital Reserve				
Beginning Fund Balance	\$ 970,264	\$ 1,370,264	\$ 400,000	0.00%
Resources/Tranfers in	\$ 400,000	\$ 400,000	\$ -	0.00%
Expenditures/Transfers Out	\$ -	\$ -	\$ -	0.00%
Ending Fund Balance	\$ 1,370,264	\$ 1,770,264	\$ 400,000	29.19%
Capital Improvement Fund				
Resources/Tranfers in	\$ 3,048,999	\$ 4,217,262	\$ 1,168,263	38.32%
Expenditures/Transfers Out	\$ 3,048,999	\$ 4,217,262	\$ 1,168,263	38.32%
HUD Annual Action Plan				
Beginning Fund Balance	\$ 2,000,495	\$ 1,400,421	\$ (600,074)	-30.00%
Resources/Tranfers in	\$ 10,668,475	\$ 10,059,554	\$ (608,921)	-5.71%
Expenditures/Transfers Out	\$ 11,268,549	\$ 10,734,554	\$ (533,995)	-4.74%
Ending Fund Balance	\$ 1,400,421	\$ 725,421	\$ (675,000)	-48.20%
Debt Service				
Beginning Fund Balance	\$ 898,094	\$ 553,468	\$ (344,626)	-38.37%
Resources/Tranfers in	\$ 3,406,764	\$ 3,470,786	\$ 64,022	1.88%
Expenditures/Transfers Out	\$ 3,751,390	\$ 3,852,286	\$ 100,896	2.69%
Ending Fund Balance	\$ 553,468	\$ 171,968	\$ (381,500)	-68.93%
Self Insurance Funds				
Beginning Fund Balance	\$ 1,230,439	\$ 1,261,492	\$ 31,053	2.52%
Resources/Tranfers in	\$ 5,762,868	\$ 5,475,200	\$ (287,668)	-4.99%
Expenditures/Transfers Out	\$ 5,731,815	\$ 5,425,000	\$ (306,815)	-5.35%
Ending Fund Balance	\$ 1,261,492	\$ 1,311,692	\$ 50,200	3.98%
Other Funds				
Beginning Fund Balance	\$ 732,765	\$ 416,352	\$ (316,413)	-43.18%
Resources/Tranfers in	\$ 4,095,490	\$ 3,766,108	\$ (329,382)	-8.04%
Expenditures/Transfers Out	\$ 4,411,903	\$ 3,765,160	\$ (646,743)	-14.66%
Ending Fund Balance	\$ 416,352	\$ 417,300	\$ 948	0.23%
Total Operating Budget				
Beginning Fund Balance	\$ 6,508,988	\$ 5,678,928	\$ (830,060)	-12.75%
Resources/Tranfers in	\$ 65,168,467	\$ 67,340,812	\$ 2,172,345	3.33%
Expenditures/Transfers Out	\$ 65,998,527	\$ 67,946,164	\$ 1,947,637	2.95%
Ending Fund Balance	\$ 5,678,928	\$ 5,073,576	\$ (605,352)	-10.66%

City of Covington

General Fund Revenue

Total Resources available for the General Fund for the 2008-2009 fiscal year are projected to be \$48,841,428, which is a \$2,384,569, or 5.2%, increase over the revised fiscal year 2006-2007 estimate of \$46,456,859 (see Table 2, page 6). Before transfers into the General Fund from other funds, operating revenue is \$47,942,428 (see Table 2, page 6). This is a \$2,491,569, or 5.6%, increase in revenue from the adjusted 2007-2008 fiscal year estimate.

The economic outlook is for modest growth in the coming year. The U.S. economy is slowing and the Kentucky and Greater Cincinnati/Northern Kentucky economies generally follow suit. The housing mortgage crisis, oil price increases, and rising interest rates will likely dampen economic growth. The impact of slow economic growth will be somewhat offset by economic development projects in Covington in the next five years.

The major sources of General Fund Revenue are Payroll Taxes, Ad Valorem Taxes, Insurance Premiums Tax, Franchise Taxes, and Net Profit Taxes. Together, five major revenue components represent 86.4% of total General Fund Operating revenue (see Table 2, page 6).

Payroll Taxes are budgeted to increase \$1,297,403, or 5.8%, over the revised estimate for 2007-2008. At 52.0% of General Fund operating revenues, payroll taxes are the single largest source of revenue. While the fiscal year 2008-2009 increase in payroll taxes will follow the recent pattern, the relatively slower economy could moderate growth. This revenue source will be monitored closely.

Ad Valorem Taxes include real estate taxes, personal property taxes, and bank share taxes. The 3.2% growth, or \$185,662, is the net effect of a 4% increase in real estate taxes and a 9% decrease in personal property taxes. As personal property taxes level off, the growth rate should stabilize between 3% and 4%.

Insurance License Fee revenue for fiscal year 2008-2009 is estimated to be at the three year average of actual collections, resulting in an increase of 3.9%, or \$200,250.

Franchise Taxes are estimated to increase by \$84,240, or 4.0%, over the 2007-2008 estimate. Increases in utility rates have been the impetus for the growth.

Net Profit Taxes are projected to increase \$159,000, or 6.0%, from the revised 2007-2008 estimate. The projection is based on five-year average for Net Profit Taxes, one of the more volatile revenue line items. While the fiscal year 2007-2008 revised estimate will meet the budgeted level, eventually this revenue source will level off or decrease to reflect economic conditions. This revenue source will also be monitored closely.

Other noteworthy revenue changes include the following:

Parking Tickets & Court Revenue has been projected to decrease \$100,000, or 27.8%, from the revised 2007-2008 fiscal year estimate. The revised 2007-2008 fiscal year estimate included \$100,000 in receipts from a state escrow account in anticipation of a ruling on the law enforcement citation fee. One time disbursement from the escrow was received during 2007-2008.

Fees from Ambulance Service are projected to decrease \$15,200, or 1.4%. A new third party company processing claims from Medicare, Medicaid, and Insurance Companies exceeded expectations in 2007-2008. While hopeful for similar results in fiscal year 2008-2009, historic growth from five year forecast was used for budget recommendation rather than revised 2007-2008 estimate.

The transfer from Other Funds has decreased \$50,000, or 5.6%, from the 2007-2008 estimate. The \$50,000 increase in support from CDBG for police overtime added in fiscal year 2007-2008 has been eliminated because of reduced federal allocations for CDBG in fiscal year 2008-2009. Support for police overtime from CDBG is now \$175,000 annually.

CITY OF COVINGTON, KY
2008-2009 GENERAL FUND REVENUE BUDGET
TABLE 2

ACCOUNT NAME	FY 2007-2008 Approved Budget	FY 2007-2008 Estimated Budget	FY 2008-2009 Recommended Budget	Dollar Change From Estimated Budget	% Change From Estimated Budget
AD VALOREM TAXES	5,755,812	5,905,812	6,091,474	185,662	3.2%
FRANCHISE TAXES	2,106,000	2,106,000	2,190,240	84,240	4.0%
NET PROFIT TAX	2,650,000	2,650,000	2,809,000	159,000	6.0%
PAYROLL TAXES	23,475,837	23,620,837	24,918,240	1,297,403	5.5%
INSURANCE LICENSE FEES	5,145,000	5,202,000	5,402,250	200,250	3.9%
PERMIT & LICENSE FEES	293,000	293,000	293,000	-	0.0%
PARKING TICKETS & COURT REVENUE	360,000	485,000	385,000	(100,000)	-27.8%
PENALTY & INTEREST ON LATE TAX	175,000	175,000	175,000	-	0.0%
RENTAL INCOME	330,000	330,000	330,000	-	0.0%
WASTE FEE INCOME	1,221,214	1,349,490	2,029,724	680,234	55.7%
PARKING REVENUES	1,075,000	1,075,000	1,075,000	-	0.0%
AMBULANCE RUNS	1,073,520	1,173,520	1,158,300	(15,220)	-1.4%
OTHER INCOME	700,200	735,200	735,200	-	0.0%
INCOME FROM FED GOVERNMENT	25,000	25,000	25,000	-	0.0%
INCOME FROM STATE GOVERNMENT	325,000	325,000	325,000	-	0.0%
 TOTAL OPERATING REVENUE	 44,710,583	 45,450,859	 47,942,428	 2,491,569	 5.6%
 TRANSFER FROM OTHER FUNDS	 886,000	 1,006,000	 956,000	 (50,000)	 -5.6%
 TOTAL RESOURCES AVAILABLE	 45,596,583	 46,456,859	 48,898,428	 2,441,569	 5.4%

City of Covington

Personnel Summary

The recommended budget for personnel related costs for the 2008-2009 fiscal year is \$34,139,460 (see Table 3, page 8). The budget is a \$1,079,502, or 3.3%, increase over the revised 2007-2008 fiscal year estimate. The increase is primarily attributed to increases in base pay, related payroll taxes, and expectation of filling positions which were vacant for a good part of the 2007-2008 fiscal year. Salaries increased 2% with the start of the 2007-2008 fiscal year. Savings in health care plan design offset the costs of the initial base pay increase. An additional 1% increase effective January 1, 2008 was awarded during the prior fiscal year. There were no corresponding health care savings to offset this increase. A pay increase of 5% is budgeted for the 2008-2009 fiscal year. Personnel costs represent 78.0% of all General Fund expenses before transfers to other funds and debt service. Most of the personnel expenses are formula driven based on the approved salaries and recommended positions listed in the Staffing Plan (see Table 4, pages 9-13). The only line items that are not formula based and allow some department discretion are overtime and tuition reimbursement.

Base pay is expected to increase \$1,249,334 or 8.0%, over the 2007-2008 estimate. No new positions have been added to the budget. The balance of the increase in base pay from the 2007-2008 not attributable to base pay increases is explained by vacant positions. Police Department, Public Works, and Parks and Recreation all had operated during 2007-2008 with staff vacancies which will be filled in 2008-2009. The Police Department will continue to operate below full staffing for the full 2008-2009 year.

Effective July 1, 2008, the new rates for contributions into the State Retirement System will become effective. The rate for hazardous pay will decrease from 33.87% of compensation to 31.99%. The rate for non-hazardous pay will decrease from 16.17% of compensation to 15.58%. The decrease in rates is the reason for the combined \$69,556 decrease in pension costs. Increases in salaries and filling of vacant positions decreased the full impact of the reduced rates. The long term contribution rates to the State Retirement System will remain a concern until permanent solutions to the crisis are enacted by the State Legislature.

City of Covington
2008-2009 General Fund Personnel Cost Budget
TABLE 3

	Approved 2007-2008 Budget	Estimated 2007-2008 Budget	Recommended 2008-2009 Budget	Recommended Dollar Change From Estimated	Recommended % Change From Estimated
Base Pay	15,691,008	15,619,494	16,868,828	1,249,334	8.0%
Base Pay Temporary	734,911	696,405	797,277	100,872	14.5%
Longevity	385,108	335,398	372,654	37,256	11.1%
Differential	242,658	119,335	118,037	(1,298)	-1.1%
Overtime	2,313,711	3,049,248	2,712,677	(336,571)	-11.0%
Holiday	547,955	520,240	557,061	36,821	7.1%
County Pension	983,290	897,420	1,001,491	104,071	11.6%
CERS Hazardous	4,523,378	4,710,688	4,537,061	(173,627)	-3.7%
Medical & Dental	5,090,225	4,915,845	4,886,063	(29,782)	-0.6%
Social Security	679,128	669,739	744,226	74,487	11.1%
Uniform Allowance	205,130	205,267	217,970	12,703	6.2%
Workers Comp	1,136,606	1,191,633	1,214,736	23,103	1.9%
Unemployment	44,291	43,423	43,979	556	1.3%
Tuition Reimbursement	64,800	85,823	67,400	(18,423)	-21.5%
			-		
	32,642,199	33,059,958	34,139,460	1,079,502	3.3%

City of Covington

Staffing Plan

TABLE 4

	FY 07-08	FY 08-09	Change
General Fund			
Administration			
City Manager	1	1	0
Assistant City Manager	1	1	0
Human Resource Director	1	1	0
Exec. Assistant to the C.M.	1	1	0
Human Resource Assistant	1	1	0
Risk Manager	1	1	0
Mayor	1	1	0
Commissioner	4	4	0
Administrative Assistant	1	1	0
Subtotal	12	12	0
Legal			
City Solicitor	1	1	0
Ass't City Solicitor	1	1	0
Law Clerk	1	1	0
Legal Assistant	1	1	0
City Clerk	1	1	0
Subtotal	5	5	0
Economic Development			
Economic Development Dir.	1	1	0
Business Recruit & Retent.	1	1	0
Downtown Renaissance Mgr.	1	1	0
Historic Preservation Officer	1	1	0
Ombudsman	1	1	0
Arts District Manager	1	1	0
Administrative Assistant	1	1	0
Subtotal	7	7	0
Code Enforcement			
Director	1	1	0
Code Enforcement Officer	6	7	1
Civilian Inspector	1	1	0
Code Enforcement Specialist	1	0	-1
Clerk Typist	2	2	0
Subtotal	11	11	0

City of Covington
Staffing Plan
TABLE 4

	FY 07-08	FY 08-09	Change
Public Works			
Public Works Director	1	1	0
Administrative Manager	1	1	0
Animal Warden	2	2	0
Clerk Typist	2	2	0
Cement Mason	2	1	-1
Driver	6	6	0
Foreman	5	3	-2
Maintenance Supervisor		2	2
Laborer	2	3	1
Light Equipment Operator	3	3	0
Technician	5	5	0
Mechanic	6	6	0
Subtotal	35	35	0
Engineering			
City Engineer	1	1	0
Asst. Project Engineer	1	1	0
Clerk Typist	1	1	0
Subtotal	3	3	0
Finance			
Director	1	1	0
Staff Accountant	4	4	0
Finance Technician	1	1	0
Personal Clerk	1	1	0
Auditor	3	3	0
Clerk Typist	4	4	0
Subtotal	14	14	0

City of Covington
Staffing Plan
TABLE 4

	FY 07-08	FY 08-09	Change
Police			
Police Chief	1	1	0
Asst. Police Chief	2	2	0
Captain	5	5	0
Lieutenant	5	5	0
Sergeant	15	15	0
Patrolman	88	88	0
Police Cadet	3	3	0
Administrative Assistant	1	1	0
Clerk Typist	5	5	0
Evidence Technicians	3	3	0
Park Rangers	2	2	0
Impounding Lot Manager	1	1	0
Impounding Lot Specialist	1	1	0
Telecommunicator	16	16	0
Subtotal	148	148	0
Recreation			
Director	1	1	0
Asst. Director	1	1	0
Recreation Program Cord.	1	1	0
Clerk Typist	1	1	0
Light equipment Operator	3	2	-1
Driver	6	6	0
Technician	3	3	0
Recreation Maint. Supervisor	1	1	0
Cement Brick Mason	1	1	0
Crew Supervisor	1	1	0
Laborer	1	2	1
Subtotal	20	20	0

City of Covington
 Staffing Plan
 TABLE 4

	FY 07-08	FY 08-09	Change
<hr/>			
Fire			
Fire Chief	1	1	0
Asst. Fire Chief	2	2	0
Captain	12	12	0
Lieutenant	18	18	0
Engineer	30	30	0
Firefighter	44	44	0
EMT	7	7	0
Battalion Chief	3	3	0
EMS Director	1	1	0
Administrative Assistant	1	1	0
Subtotal	119	119	0
<hr/>			
General Fund Total	374	374	0
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City of Covington
 Staffing Plan
 TABLE 4

	FY 07-08	FY 08-09	Change
CDBG			
Housing			
Clerk Typist	2	2	0
Grant Admin/Real Estate Spec.	1	1	0
Housing Coordinator	1	1	0
Housing Development Director	1	1	0
Housing Inspector	1	1	0
Project Coordinator	1	1	0
Section 8 Coordinator	1	1	0
Section 8 Service Rep.	3	3	0
Staff Accountant	2	2	0
Urban Housing Specialist	3	3	0
Subtotal	16	16	0
CDBG Fund Total	16	16	0
City Hall			
Maintenance Technician	1	1	0
City Wide Staffing Totals	391	391	0

Department Summaries

The fiscal year 2008-2009 budget preparation process originated with the five-year forecast that was prepared in January of 2007 and revised in October of the 2007. Budget targets were based on fiscal year 2008-2009 revenue estimate contained in the five-year forecast, with \$400,000 being allocated to Working Capital Reserve off the top. Increases for motor fuel costs and utilities were included in department targets as well.

All departments submitted budgets at or below target. The amount by which department budgets were below target was available for new projects or service enhancements. Salary increases effective January 1, 2009, increased allocation for gasoline costs, and additional training dollars were added to budget. Computer software and hardware upgrades were also added to the budget.

Table 5, page 15 provides the fiscal year 2008-2009 budget by department. Department expenditures are budgeted to be \$41,853,240 for fiscal year 2008-2009, an increase of \$2,538,697, or 6.5%, from fiscal year 2007-2008 estimated actual.

CITY OF COVINGTON
FISCAL YEAR 2008-2009 DEPARTMENTAL BUDGET SUMMARY
TABLE 5

	Approved 2007-2008 Budget	Estimated 2007-2008 Budget	Recommended 2008-2009 Budget	Recommended Dollar Change From Estimated	Recommended % Change From Estimated
Administration	1,155,294	1,151,651	1,186,396	34,745	3.02%
Legal	405,962	342,191	427,371	85,180	24.89%
Economic Development	687,828	615,612	733,327	117,715	19.12%
Code Enforcement	964,351	939,473	1,015,725	76,252	8.12%
Public Works	5,521,864	5,394,032	6,453,051	1,059,019	19.63%
Engineering	279,940	260,581	295,243	34,662	13.30%
Finance	1,323,354	1,306,000	1,372,130	66,130	5.06%
Police	14,267,584	14,247,619	14,785,453	537,834	3.77%
Parks & Recreation	2,561,427	2,388,304	2,696,509	308,205	12.90%
Fire	12,693,981	12,669,079	12,888,035	218,956	1.73%
Debt Service	1,091,000	1,085,778	928,361	(157,417)	-14.50%
Parking Garages	783,564	773,219	798,973	25,754	3.33%
Emergency Contingency Reserve	-		200,000	200,000	
Total General Fund	41,736,149	41,173,540	43,780,574	2,607,034	6.33%
Transfers to Other Funds	4,320,710	4,883,320	4,717,854	(165,466)	-3.39%
Transfer to Working Capital Reserve	400,000	400,000	400,000	-	0.00%
Total Expenses & Transfers	46,456,859	46,456,859	48,898,428	2,441,569	0.03



City of Covington

Administration

Function & Duties

Administration includes the Office of the Mayor and City Commissioners, the Office of the City Manager, and the Human Resources office. (Please note that the appropriation ordinance will show Human Resources as a separate department. It is described here as part of Administration for comparative purposes.)

The Office of the Mayor and the City Commissioners is responsible for all legislative functions of the City. The Mayor and Commissioners set policy, approve the budget, approve personnel actions, and propose programs and services that improve the quality of life for people and neighborhoods.

The Office of the City Manager executes the policies and budget established by the Mayor and City Commissioners. The City Manager also implements programs and delivery of services that improve the quality of life for people and neighborhoods. As the Chief Executive Officer of the City, the City Manager delegates responsibility and coordinates the many functions and tasks performed by City employees.

The Human Resources office is responsible for the administration of City policies and procedures related to employment with the City of Covington. It is also responsible for the recruitment and selection of candidates for all City positions.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$ 862,544	\$919,821
Non-Personnel Costs	289,107	266,575
Total Budget	\$1,151,651	\$1,186,396

Budget Notes

The recommended fiscal year 2008-2009 Administration budget is \$1,186,396. This level of funding represents a \$34,745 increase from the fiscal year 2007-2008 estimate. There have been no staff changes from fiscal year 2007-2008.

Personnel costs increased \$57,277, or 6.1%. The increase is attributed to salary increases, health care costs, and workers compensation.

Non-personnel costs decreased \$17,532, or 6.1%. Professional Services explain the majority of the decrease. A consultant was utilized during the 2007-2008 fiscal year for a departmental organization review. The cost was one time and same level of expenditure will not be incurred during the 2008-2009 fiscal year. During the 2008-2009 fiscal year, the City will contract for Workers Compensation Experience Modification review. It is hoped that such a review may result in a lower experience modification and lower workers compensation costs, as well as highlight specific areas of work related injury exposure that may be addressed by the Risk Manager. The cost for the experience modification review is expected to be \$10,000. A software upgrade has been for Human Resources.



City of Covington
Legal Department

Function & Duties

The Legal Department is composed of the Office of the City Solicitor and the Office of the City Clerk.

The City Solicitor is responsible for all legal issues involving the City. Areas of responsibility include the drafting of ordinances and regulations, advice and guidance for the Mayor and City Commissioners, representation of the City in court actions, planning and zoning requests, real estate transactions, personnel/employment law interpretation, open record requests, and economic development agreements.

The City Clerk is the official custodian of the records of the City of Covington. The City Clerk prepares the agenda for the City Commission meetings, drafts meeting minutes, and publishes ordinances.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$ 308,998	\$331,279
Non-Personnel Costs	33,193	96,092
Total Budget	\$ 342,191	\$ 427,371

Budget Notes

The recommended fiscal year 2008-2009 Legal Department budget is \$427,371. The fiscal year 2007-2008 estimated is \$353,684. This level of funding represents an \$85,180 increase from the fiscal year 2007-2008 estimate. There have been no staff changes from fiscal year 2007-2008.

Personnel costs increased \$22,281, or 7.2%. The increase is attributable to salary increases and a full year of funding the Assistant City Solicitor position.

Non personnel costs increased \$62,899. Professional Service costs that historically were paid to outside attorneys have been absorbed by the Assistant City Solicitor. While it is expected that there will be some ongoing use of outside attorneys, funds allocated for this item will be reallocated to support computer software upgrade for the City Clerk and to expand training opportunities..



City of Covington

Economic Development

Function & Duties

The Economic Development Department aggressively markets the City to potential businesses while making sure existing businesses thrive. The Economic Development Department offers a variety of development incentives including, grants, loans, and other incentives.

The Economic Development Department has developed a Business Retention and Needs Assessment Program designed to foster the growth and development of local business and enhance our community's reputation as a good place in which to conduct business.

Renaissance Covington, Ombudsman, and Historic Preservation are also included in the Department.

Renaissance Covington is a 501(C)3 non-profit organization that was created for the purpose of revitalizing downtown Covington.

The Historic Preservation Office issues Certificates of Appropriateness permits for exterior work in the Historic Preservation Overlay Zones. It answers questions or concerns regarding historic buildings, sites, and neighborhoods.

The Ombudsman receives citizen concerns about city service and directs the concern to the appropriate department for follow-up. The Ombudsman is also the primary contact for residents, neighborhood associations, and block-watch groups.

The Arts District Manager acts as liaison between the arts community and the City of Covington. The Arts District Manager also is responsible for marketing the City of Covington Arts District to attract new artists to the City.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$407,196	\$553,757
Non-Personnel Costs	208,416	179,570
Total Budget	\$615,612	\$733,327

Budget Notes

The recommended fiscal year 2008-2009 Economic Development Department budget is \$733,327, an \$117,715, or 19.1%, increase from the fiscal year 2007-2008 revised estimate. Three positions have been vacant for more than half of the 2007-2008 fiscal year. The positions will be filled during the 2008-2009 fiscal year. The staff vacancies along with staff increases are the reasons for a \$146,561, or 36.0%, increase in personnel costs.

Recommended fiscal year 2008-2009 non-personnel costs are \$179,570, which is a decrease of \$28,846, or 13.8%, from the 2007-2008 revised estimate. The 2007-2008 revised estimate includes contractual costs for services normally provided by staff. When vacant positions are filled, the level of non personnel costs will decrease and personnel costs will increase.



City of Covington

Code Enforcement

Function & Duties

The mission of the Code Enforcement Department is to ensure compliance from property owners with the Property Maintenance Code, Nuisance Code, the new Zoning Code, and all applicable City ordinances.

Complaints are received from tenants, neighbors, and other concerned parties regarding potential code violations associated with specific properties. A Code Enforcement Officer subsequently inspects the property and notes any violation. A notice is sent informing owners of the required abatements and time limits for the abatements to be made. Properties are then reinspected for compliance with the notice at designated times during the process.

Citations are being issued to those property owners who do not comply with necessary repairs. Property owners may appeal the citation to the Code Enforcement Board. Owners who lose an appeal or do not file an appeal may have a lien placed on their property. Any liens that are collected are deposited in the General Fund.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$ 754,519	\$825,071
Non-Personnel Costs	184,954	190,654
Total Budget	\$ 939,473	\$1,015,725

Budget Notes

The recommended fiscal year 2008-2009 Code Enforcement budget is \$1,015,725. This level of funding represents a \$76,252, or a 8.1% increase, from the 2007-2008 fiscal year revised budget estimate. There have been no staff changes from the 2007-2008 fiscal year.

Personnel costs increased \$70,552, or 9.4%. Salary increases and workers compensation were primary factors in the increase in personnel expenditures.

Non-personnel costs increased \$5,700, or 3.1%. Higher fuel costs and court filing fees are primary reasons for increase in non-personnel line item.



City of Covington

Public Works

Function & Duties

The Public Works Department is responsible for street and traffic maintenance systems, solid waste collection, neighborhood maintenance programs, fleet maintenance, and litter reduction activities. The Public Works Department is composed of the Street Division, Traffic Division, Motor Pool Division, Building Maintenance Division, Solid Waste Division, General Maintenance Division, and Administrative Division.

The Street Division repairs streets, sidewalks, and curbs. The Division also is responsible for snow removal and filling pot holes.

The Traffic Division maintains all street signs and traffic signals. The Traffic Division is also responsible for parking meters and floodgates.

The Motor Pool repairs and maintains City vehicles, as well as heavy and light equipment.

The Building Maintenance Division is responsible for City-owned property, including City Garages, City Hall, and other facilities.

General Maintenance is responsible for street cleaning, leaf pick-up, grass cutting, alley maintenance, and litter control.

Solid Waste Disposal is contracted to a private company. Supervision of the contract and monitoring vendor costs are functions of the Solid Waste Division.

Administration Division performs all management functions for the Department and also includes animal control.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$2,511,955	\$2,840,188
Non-Personnel Costs	2,882,077	3,612,863
Total Budget	\$5,394,032	\$6,453,051

Budget Notes

The recommended fiscal year 2008-2009 Public Works budget is \$6,453,051, which is a \$1,059,019, or 19.6%, increase from the fiscal year 2007-2008 revised estimate. There has been no change to staffing plan. Personnel costs have increased \$328,233, or 13.1%, from the fiscal year 2007-2008 revised estimate. The increase is a function of filling positions that were vacant in fiscal year 2007-2008, salary increases, and higher workers compensation costs.

Recommended fiscal year 2008-2009 non-personnel costs have increased \$730,786 and are 25.4% higher than the fiscal year 2007-2008 revised estimate. A new contract was awarded for solid waste removal. In addition to higher waste collection costs driven by fuel prices, the City in an effort to become a cleaner and greener community is implementing a toter program. The cost of the one toter provided by the City adds an additional \$481,824 annually in non personnel costs.



City of Covington

Engineering

Function & Duties

The Engineering Department is responsible for the procurement, coordination, and administration of various Public Works improvement projects, infrastructure management and maintenance, and assisting with engineering needs of the various city departments. The Engineering Department also coordinates infrastructure improvements associated with new development, issues right-of-way permits, receives and evaluates street light and traffic control device requests, and promulgates standards for street and sidewalk repairs and construction.

The Engineering Department also works with multi-jurisdictional utility entities (i.e. water, gas, electric, and sewer) to coordinate capital improvement projects in an effective and orderly fashion. The Department strives to maintain the vitality of Covington's residents and businesses by promoting technologically advanced solutions to the aging assets.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$240,250	\$269,943
Non-Personnel Costs	20,331	25,300
Total Budget	\$260,581	\$295,243

Budget Notes

The recommended fiscal year 2008-2009 Engineering Department budget is \$295,243, a \$34,662, or 13.3%, increase from the fiscal year 2007-2008 revised estimate. There are no major changes anticipated in the recommended 2008-2009 budget. The increase in personnel costs of \$29,693, or 12.4%, is explained by the addition of an Engineering Coop and salary increases.

Recommended fiscal year 2008-2009 non-personnel costs are \$25,300, which is a \$4,969 increase from the revised 2007-2008 estimate. The motor fuel and training line items received the non personnel increases.



City of Covington
Finance Department

Function & Duties

The Finance Department is responsible for the City’s financial planning and the recording and reporting of all the City’s financial transactions. In addition to meeting these requirements, the Finance Department prepares the annual budget and collects all taxes, fees, licenses, grants, and other revenue payable to the City. The Finance Department also processes and pays employees, vendor invoices, and debt-service obligations, and invests interim funds.

All receipts and disbursements are recorded and summarized in financial reports prepared at the end of the fiscal year. The reports and financial activity are audited by an Independent Certified Public Accounting firm.

All information technology costs not directly related to public safety are budgeted and managed by the Finance Department.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$ 803,175	\$ 844,890
Non-Personnel Costs	502,825	527,240
Total Budget	\$1,306,000	\$1,372,130

Budget Notes

The recommended fiscal year 2008-2009 Finance Department budget is \$1,372,130, which is \$66,130, or 5.1%, more than the 2007-2008 revised estimate. Personnel costs increased \$41,715, or 5.2%. Salary increases and related payroll costs are the primary reasons for the increase.

Non-personnel costs have increased by \$24,415, or 4.9. Network maintenance and administration costs have been increased to address the challenges of the new VOIP phone system. The voice and data systems now share the same network. Upgrades in the e-mail system and spam filter will also be implemented.



City of Covington

Police Department

Function & Duties

The Police Department is responsible for the prevention of crime, public safety, and the suppression of illegal activity. The Police Department is composed of five major bureaus described below:

The Patrol Bureau responds to calls for police assistance, patrols crime-prone areas, investigates auto accidents, monitors designated areas for traffic violations, and provides basic day-to-day police services to ensure the safety of our citizens.

The Criminal Investigation Bureau is responsible for the investigation of all crimes that occur within the City. The Crime Lab and the Juvenile Section, which investigates family crimes, are part of the Criminal Investigation Bureau. The Crime Suppression Unit which was responsible for special investigations often involving multi-jurisdictional task forces has been combined with the Criminal Investigation Bureau and is no longer a separate bureau.

The Community Relations Bureau is home to the Community Oriented Police Officers, School Resource Officers, a Civilian Housing Specialist, and the Citizen's Police Academy.

The Administration Bureau provides administrative support, including personnel, planning, record collection and management, and public information. Officer training is also included in Administration.

The Communications Department has been eliminated as a separate Department and moved to a Division under the Police Department. This budgeting change is consistent with organization changes that have occurred during fiscal year 2006-2007. Communications receives and dispatches all emergency and non-emergency calls for ambulance, fire, paramedic, and police services. The Division also provides technical review of communication systems and receives non-emergency inquiries after normal City working hours.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$13,073,392	\$13,401,169
Non-Personnel Costs	1,201,227	1,384,284
Total Budget	\$14,274,619	\$14,785,453

Budget Notes

The recommended fiscal year 2007-2008 Police Department budget is \$14,785,453. This level of funding represents a \$537,834, or 3.8%, increase from the fiscal year 2007-2008 revised estimate. The Communications Department was added to the Police Department budget in fiscal year 2006-2007. Personnel Costs increased \$327,777, or 2.5% from the 2007-2008 revised estimate. Salary increases are the primary reason for the growth in personnel costs. There are the same 113 sworn officer positions in the 2008-2009 budget which remains unchanged from the 2007-2008 budget. It is anticipated that the Police Department will be short of full staff complement for the 2008-2009 year. Limited access to training slots at the academy will make it unlikely that the Police Department will be operating at a full 113 positions and a budget adjustment has reflected this.

Higher fuel costs and increase in training budget explain the \$183,057, or 15.2% increase in non personnel costs from the 2007-2008 revised estimate.



**City of Covington
Parks and Recreation**

Function & Duties

The Parks and Recreation Department is responsible for recreational activities sponsored by the City and maintenance of all parks and recreational facilities.

Facilities include playgrounds, tot lots, passive parks, baseball/softball fields, soccer fields, football fields, outdoor basketball courts, public gardens, memorials, a concert bowl, bell tower, picnic shelters, nature trails, walking/biking trails, modular skate park,



City of Covington

Parks and Recreation

Function & Duties

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The Department is also responsible for the City's Urban Forestry Program.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$1,743,513	\$1,917,809
Non-Personnel Costs	644,791	778,700
Total Budget	\$2,505,443	\$2,696,509

Budget Notes

The recommended fiscal year 2008-2009 Parks and Recreation Department budget is \$2,696,509 which is a \$308,205, or 12.9%, increase from the fiscal year 2007-2008 revised estimate. Full funding for positions previously vacant, salary increases, and increased workers compensation costs are the reasons for the \$174,296, or 10.0%, increase in personnel costs.

Recommended fiscal year 2008-2009 non-personnel costs are \$133,909, or 20.8%, more than fiscal year 2007-2008 revised estimate. Motor fuel costs, pool repair costs, and new summer programs are the reasons for the increase from the 2007-2008 revised estimate.

The \$72,500 that was allocated to the Emergency Contingency Fund was not used for snow removal overtime. The funds have therefore been made available for capital purchases during the fiscal year 2007-2008 year. The same allocation of \$72,500 has been budgeted for the 2008-2009 fiscal year.

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City of Covington Fire Department

Function & Duties

The Fire Department is responsible for the fire prevention and suppression. The Department also is responsible for basic and advanced life support services.

Services are provided by 118 firefighters in five fire houses.

Disaster management, inspections, fire investigations, and hazardous material emergencies are also areas of responsibility.

Budget Summary

	Estimated 2007-2008	Recommended 2008-2009
Personnel Costs	\$12,245,415	\$12,222,533
Non-Personnel Costs	423,664	665,502
Total Budget	\$12,669,079	\$12,888,035

Budget Notes

The recommended fiscal year 2007-2008 Fire Department budget is \$12,888,035, a \$85,118, or 1.7%, increase from the fiscal year 2007-2008 revised estimate. There has been no change in Fire staffing and all sworn positions are funded. Personnel costs have decreased \$22,882, or 1.9%, from the revised 2007-2008 estimate. With a new recruit class adding 10 firefighters, a reduction in overtime costs will more than offset staff pay increases. Staff vacancies and anticipated retirements will mean that new recruit class will not increase number of firefighters on average above the 118 position level.

Funding for non-personnel costs increased \$241,838, or 57.1%. Higher motor fuel costs and higher utility costs are the reasons for the increase. In addition, if adjusted for workers comp lost time reimbursements and miscellaneous income, non personnel costs as adjusted increased \$145,088, or 27.9%.